

August 6, 2003

IN RE: DOCKET NO. 2002-367-C & 2002-4080-C – Generic Proceedings

**A COPY OF BELLSOUTH'S RESPONSES TO THE CONSUMER
ADVOCATE'S INTERROGATORIES (SET NO. 1) HAVE BEEN
DISTRIBUTED TO THE FOLLOWING:**

Chief, McDaniel

Legal (1)

Exec. Ass't.

P. Riley

Research Dept. (1)

pao

Jim 20710
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PC 5030



ACCEPTED
Legal 8-5-03

BellSouth Telecommunications, Inc.
Legal Department
1600 Williams Street
Suite 5200
Columbia, SC 29201

Patrick W. Turner
General Counsel-South Carolina

803 401 2900
Fax 803 254 1731

patrick.turner@bellsouth.com

August 4, 2003

The Honorable Gary E. Walsh
Executive Director
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: Generic Proceeding to Address Abuse of Market Position
Docket No. 2002-367-C
Proceeding to Define the Term "Inflation-Based Index"
Docket No. 2002-408-C

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S.C. PUBLIC SERVICE COMMISSION
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UTILITIES DEPARTMENT

Dear Mr. Walsh:

Enclosed for filing are the original and fifteen copies of BellSouth Telecommunications, Inc.'s Response to the Consumer Advocate's First Set of Interrogatories in the above-referenced matters.

By copy of this letter, I am serving this response on all parties of record as reflected on the attached Certificate of Service.

Sincerely,

Patrick W. Turner

PWT/nml
Enclosure
cc: Parties of Record

PC Docs #500304

BellSouth Telecommunications, Inc
Dkt. Nos. 2002-367-C/2002-408-C
Consumer Advocate's
1st Set of Interrogatories
July 24, 2003
Item No. 1-1
Page 1 of 1

REQUEST: Please provide copies of all testimony filed by BellSouth witness William E. Taylor in other states in which he discusses the concept of "productivity offset" or similar methodology as mentioned in footnote 40 of Dr. Taylor's pre-filed testimony in this case.

RESPONSE: BellSouth objects to this Interrogatory on the grounds that: it is vague; it is overly broad; responding to it would be unduly burdensome; and it seeks information that is a matter of public record and, therefore, is as available to the Consumer Advocate as it is to BellSouth. Without waiving these objections, BellSouth responds that proceedings in which Dr. Taylor has pre-filed testimony addressing concepts described in this Interrogatory are identified in Exhibit WET-1 ("TESTIMONIES" Section, "Incentive and Price Cap Regulation" Category) of Dr. Taylor's testimony that was pre-filed in these proceedings on July 23, 2003.

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BellSouth Telecommunications, Inc
Dkt. Nos. 2002-367-C/2002-408-C
Consumer Advocate's
1st Set of Interrogatories
July 24, 2003
Item No. 1-2
Page 1 of 1

REQUEST: For each state where the Company operates as an incumbent local exchange carrier under a price cap or other alternative regulation methodology, please provide a copy of any statute and/or commission order setting forth the structure of that alternative regulation, including whether an inflation-based index is part of that form of regulation, and also setting forth the type of index and formula for application of the index.

RESPONSE: BellSouth objects to this Interrogatory on the grounds that it seeks information that is a matter of public record and, therefore, that is as available to the Consumer Advocate as it is to BellSouth. Without waiving this objection, please see the testimony of BellSouth witness John Ruscilli that was pre-filed in these proceedings on July 31, 2003. See also: Order, *In the Matter of Review of BellSouth Telecommunications, Inc.'s Price Regulation Plan*, Docket No. 99-434 (Kentucky Public Service Commission, August 3, 2000); Order, *In Re Order of the Mississippi Public Service Commission Establishing a Docket to Consider Formulating a Properly Structured Price Regulation Plan for South Central Bell*, Docket No. 95-UA-313 (Mississippi Public Service Commission, October 31, 2001); General Order, Docket No. U-23445 (Louisiana Public Service Commission March 22, 2002)(including Appendix A and Appendix B thereto); Report and Order, *In Re Petition of South Central Bell Telephone Company to Restructure Its Form of Regulation*, Docket Nos. 2449, 24472, 24030, & 24865 (Alabama Public Service Commission September 20, 1995); and "Price Regulation Plan for North Carolina (a copy of which is attached hereto).

PRICE REGULATION PLAN FOR NORTH CAROLINA

I. APPLICABILITY OF PLAN

The Price Regulation Plan and its revision(s) (hereinafter collectively referred to as “the Plan”) will apply to all services offered by BellSouth Telecommunications, Inc. (hereinafter referred to as “BellSouth” or the “Company”) and subject to regulation by the North Carolina Utilities Commission. The effective dates of the plan are:

Original Plan	- June 24, 1996
First Revised Plan	- September 15, 2000

II. DEFINITIONS

- A. Basic Services - Those services generally required to provide basic local exchange service to residential and business customers for the transmission of two-way interactive switched voice grade communications -- i.e., access line, dial tone, and usage -- within the basic local calling area.
- B. Contract Service Arrangement (CSA) - An arrangement wherein the Company provides service pursuant to a contract between the Company and a customer. Such arrangements include situations in which the services are not otherwise available through BellSouth’s tariffs, as well as situations in which the services are available through BellSouth’s tariffs, but to meet competition, BellSouth offers those services at rates other than those set forth in its tariffs. CSAs may contain flexible pricing arrangements and, as a result of the specific competitive situation, may also contain proprietary information that BellSouth may protect.
- C. Gross Domestic Product Price Index (GDP-PI) - The GDP-PI is a measure of inflation in the market prices of output in the economy. Also known as the Weighted Price Index for the Gross Domestic Product, the GDP-PI is calculated and published quarterly by the U.S. Department of Commerce.
- D. Interconnection Services - Those services, except Toll Switched Access Services, that provide access to the Company’s facilities for the purpose of enabling another telecommunications company or access customer to originate or terminate telecommunications services. Interconnection Services include, but are not limited to, special access services, local interconnection services and interconnection services for public telephones.
- E. Long Run Incremental Cost (LRIC) - The cost the Company would incur (save) if it increases (decreases) the level of production of an existing or new service or group of

services. LRIC consists of costs associated with adjusting future production capacity that are causally related to the rate elements being studied. These costs reflect forward-looking technology and operational methods. LRIC shall be construed as presumptively appropriate for use in this Plan; provided, however, that such use is without prejudice to the right of any party to challenge the propriety of use of LRIC in any complaint proceeding, including but not limited to complaints brought before the Commission alleging anticompetitive conduct on the part of BellSouth.

- F. New Service - A regulated function, feature, capability, or combination of these that is not offered by BellSouth as of the effective date of the Plan.
- G. Non-Basic 1 Services - All tariffed, regulated services of the Company that are not classified as either Basic, Non-Basic 2, Interconnection or Toll Switched Access Services.
- H. Non-Basic 2 Services - Centrex Services and Billing and Collection Services.
- I. Offset - The Offset to the GDP-PI for the Basic Services Category is 2%; the Offset for the Non-Basic 1 Services Category is 3%; the Offset for the Interconnection Services Category is 3%; and the Offset for the Toll Switched Access Category is 2.5%.
- J. Price Regulation Index (PRI) - A PRI is used to limit or otherwise place a ceiling on price changes, in the aggregate, for the Basic Services Category, the Non-Basic 1 Services Category, the Interconnection Services Category and the Toll Switched Access Services Category. A PRI is not applicable to the Non-Basic 2 Services Category as there is no revenue limit on the price changes in the Non-Basic 2 Category. The initial PRI for the Basic Services Category, Non-Basic 1 Services Category and the Interconnection Services Category for the first year of the Plan is one hundred (100). Effective as of the First Revision, the initial PRI for the the Toll Switched Access Services Category is 100. In all subsequent years of the Plan, the PRI will be developed by using the change in the GDP-PI minus the Offset applicable to the respective Services Category. The Non-Basic 2 Services Category does not have an offset.

The PRI for the Basic, the Non-Basic 1, the Interconnection and the Toll Switched Access Services Categories will be developed by 1) dividing the most recent quarterly GDP-PI results available at the time of the annual filing by the GDP-PI results for the same quarter for the previous year, 2) dividing the Offset by 100, 3) subtracting the results of Step 2 from the results of Step 1, and 4) multiplying the results of Step 3 by the PRI for the previous year.

- K. Restructure - A modification of the rate structure of an existing service by introducing one or more new rate elements, establishing vintage rates for the service, deleting one or more rate elements or redefining the functions, features or capabilities provided by

a rate element so that the service covered by the rate element differs from that furnished prior to the modification. Restructure does not include a change in an existing rate element price when such change is made in accordance with the provisions of Section V of this Plan.

- L. Service Category - Groupings of tariffed services for the purposes of applying the specific pricing rules set forth in this Plan.
- M. Service Price Index (SPI) - An SPI will be developed annually for the Basic Services Category, the Non-Basic 1 Services Category, the Interconnection Services Category and the Toll Switched Access Services Category. An SPI will not be developed for the Non-Basic 2 Services Category as there will be no revenue limit on price changes for the Non-Basic 2 Category.

Each SPI is calculated by:

1. Multiplying the existing price for each rate element in the category by the present demand for that rate element to produce the existing revenue for each rate element, then by adding together the existing revenues for all of the rate elements in the category to produce the existing revenues for that category (the "existing category revenues"), and
2. Multiplying the new proposed price for each rate element in the category by the present demand for that rate element to produce the projected revenue for each rate element, then by adding together the projected revenues for all of the rate elements in the category to produce the projected revenues for that category (the "projected category revenues") and
3. Dividing the projected category revenues obtained in Step 2 by the existing category revenues obtained in Step 1, and
4. Multiplying the result obtained in Step 3, above, by the previous SPI.
5. The annual filing will establish the demand to be utilized in calculating the SPIs for the coming Plan year and will reflect the most current demand available at the time the annual filing is prepared.

- N. Telecommunications Service - A service as set forth in G.S. § 62-3(23)a.6.
- O. Toll Switched Access Services - Those services that provide access to the Company's switched facilities for the purpose of enabling another telecommunications company or access customer to originate or terminate toll switched telecommunications services.

III. CLASSIFICATION OF SERVICES

A. General

Each tariffed telecommunications service offered by BellSouth and subject to regulation by the Commission will be classified into one of five Service Categories. The five Service Categories are as follows:

1. Basic Services - See Attachment A for a listing of tariff references associated with the services included within this category.
2. Non-Basic 1 Services - See Attachment B for a listing of tariff references associated with the services included within this category.
3. Non-Basic 2 Services - See Attachment C for a listing of tariff references associated with the services included within this category.
4. Interconnection Services - See Attachment D for a listing of tariff references associated with the services included within this category.
5. Toll Switched Access Services - See Attachment E for a listing of tariff references associated with the services included within this category.

B. Classification of New Services and Reclassification of Existing Services, Opportunity of Interested Parties to Oppose.

1. Fourteen (14) days prior to offering a new service, and thirty (30) days prior to reclassifying an existing service, the Company shall make a written filing with the Commission, the Public Staff and the Attorney General. In all cases the filing shall include a description of the service, the proposed rates for the service, and the proposed classification or reclassification of the service. The filing with the Commission and the Public Staff shall also include the appropriate documentation supporting the proposed classification or reclassification of the service.
2. Any interested party shall be afforded an opportunity, by timely petition to the Commission, to propose that a new service be classified in a category different from that proposed by the Company, or to oppose the reclassification of an existing service, or to propose that the service be reclassified in a category different from that proposed by the Company. However, the filing of such a petition shall not postpone the introduction of any new service. The term ordered by the Commission for consideration of such classification or reclassification shall not exceed forty-five (45) days unless, for good cause, the term is extended to a maximum of seventy-five (75) days. The Commission may modify or disapprove the classification or reclassification proposal at any

time prior to the end of the term.

IV. TARIFF REQUIREMENTS

- A. BellSouth will file tariffs for services included in any of the five Service Categories. These tariffs will specify the applicable terms and conditions of the services and associated rates.
 - 1. Any tariff filing changing the terms and conditions, increasing rates, restructuring rates or introducing a new service will be presumed valid and become effective, unless disapproved, modified or otherwise suspended by the Commission for a term not to exceed forty-five (45) days, fourteen (14) days after filing. In the case of a tariff filing to restructure rates as defined in paragraph II.L., the Commission may extend the term for an additional thirty (30) days and may disapprove or modify the tariff filing if it finds that any of the rates, terms or conditions of the tariff are not in the public interest. The Commission may on its own motion, or in response to a petition from any interested party, investigate whether a tariff is consistent with this Plan and the Commission's rules and whether the terms and conditions of the services are in the public interest. Provided, however, a tariff filing limited to a price change to an existing rate element shall only be investigated with respect to whether it is in compliance with Section V of this Plan.
 - 2. Any tariff filing reducing rates will be presumed valid and become effective seven (7) days after filing unless otherwise suspended by the Commission for a term not to exceed forty-five (45) days.
 - 3. BellSouth will provide customer notification by bill insert or direct mail to all affected customers of any price increase at least fourteen (14) days before any public utility rates are increased. Notice of a rate increase shall include at a minimum the effective date of the rate change(s), the existing rate(s), and the new rates(s).
- B. The Company will provide CSAs under the terms, conditions, and rates negotiated between the Company and the subscribing customer(s). Such terms, conditions, and rates will be set forth in contractual agreements executed by the parties and filed as information with the Commission. When those contracts contain proprietary information, the Company will delete that information from the copy filed with the Commission. CSAs may be but are not required to be tarified.

V. PRICING RULES

A. General

1. The general pricing rules set forth in this section of the Plan are applicable to all service categories in addition to the specific pricing rules for each service category and for new services, as set forth in paragraphs B, C, and D, following, unless specifically exempted in this Plan.
2. This Plan establishes a pricing structure that allows the Company to adjust its revenues for rate elements included in all service categories, except the Non-Basic 2 Services Category to reflect the impacts of inflation less an Offset. The overall percentage change in revenues, however, cannot exceed the percentage change of inflation (as represented by the PRI) minus the Offset. The new prices are lawful when the SPI for a service category is less than, or equal to, the PRI for the same service category, and when the prices for the rate elements within that service category have been established in accordance with the rules set forth in this Plan.
3. Forty-five (45) days prior to each anniversary of the effective date of the Plan, the Company will make an annual filing. The purpose of this filing is to update the SPI and the PRI for all service categories, except the Non-Basic 2 Services Category, based upon the change in the GDP-PI over the preceding year minus the Offset. These filings may or may not include price changes.
4. In the event that the annual change in the GDP-PI minus the Offset is a negative amount, the Company will reduce prices except (1) for any service currently priced below its long run incremental cost (LRIC), or (2) when such a reduction would result in reducing prices below LRIC for any service currently priced above LRIC, or (3) if the SPI is below the newly-defined PRI. If, because of (1) or (2) above, it is not possible to reduce the SPI to the required level, the company will propose equivalent revenue reductions in other categories. Since there is no PRI constraint on the Non-Basic 2 Services Category, this provision does not apply to that Category.
5. The Company will file tariffs with documentation demonstrating that all price changes comply with the pricing constraints set forth in this Plan.
6. If the Company elects not to increase its rates by the full amount allowed under the terms of the Plan in a given year, the Company may increase its rates in future years to reflect the full amount of the allowable increases previously deferred. The Company will not, however, attempt to recover any revenues foregone as a result of deferring the increase in prices.
7. The price for any individual rate element for any service offered by the

Company shall equal or exceed its LRIC unless: (1) specifically exempted by the Commission based upon public interest considerations, or (2) BellSouth in good faith prices the service to meet the equally low price of a competitor for an equivalent service.

8. In the event that the U.S. Department of Commerce ceases publication of the GDP-PI, or significantly modifies the GDP-PI, or the GDP-PI becomes otherwise unavailable, the Company may select and recommend to the Commission subject to the Commission's approval, another comparable measurement of inflation to be used in the administration of this Plan.
9. The Company shall impute the tariffed rate of a monopoly-service function to the rate for any bundled local exchange service that includes that function and to its own provision of competitive services including that function. The details of specific imputation requirements, if contested, and whether to allow any rate increases to end users which the Company might propose as a result of applying an imputation requirement, are public interest questions which the Commission will address and decide on a case-by-case basis. The Commission retains the authority under this Plan to exempt any service from an imputation requirement based upon public interest considerations.
10. This Plan shall not operate to permit anticompetitive practices. The Company shall not engage in predatory pricing, price squeezing, price discrimination, or anticompetitive bundling or tying arrangements as those terms are commonly applied in antitrust law. Nor shall the Company give any unreasonable or unlawful preference or advantage to the competitive services of affiliated entities.

B. Basic, Non-Basic 1, Interconnection and Toll Switched Access Services.

1. The prices for rate elements in the Basic, Non-Basic 1 and Interconnection Services Categories in effect on the day prior to the effective date of this Plan shall be the initial effective prices under the Plan.
2.
 - a) The prices in effect for the individual rate elements included in the Toll Switched Access Services Category after each of the reductions described in Paragraphs XII. A, B, and F of the Plan shall, in the aggregate, be the maximum that the Company will charge under the Plan.
 - b) Should the aggregate rate for Switched Access reach \$.01 per minute (as defined in the Joint Stipulation) the rate cap will be removed, and the aggregate rate element constraint will become the change in GDP-PI plus 17%, which is the same constraint that currently applies to the Non-Basic 1 services.

3. The establishment of a PRI and SPI for the Basic Services Category, the Non-Basic 1 Services Category, the Interconnection Services Category and the Toll Switched Access Services Category is required to test any change in the aggregate prices for rate elements included in these Categories.
 - a) The PRI places ceilings on the revenues within the Basic, Non-Basic 1, Interconnection and Toll Switched Access Services Categories. As the PRI is established for the various services categories (see II.J), the value of the PRI for each of these Services Categories will be set at one hundred (100). In the subsequent years of the Plan, the PRI will be adjusted in accordance with Section II.J of the Plan, to reflect any change in the GDP-PI occurring over the preceding year minus the Offset. For example:
 - (1) if the result of dividing the most recent quarterly reported GDP-PI by the reported GDP-PI for the same quarter for the preceding year is 1.04, and
 - (2) the result of dividing the offset (assume 2%) by 100 is .02, and
 - (3) the result of subtracting the results of Step (2) is 1.02, and
 - (4) the result of multiplying the results of Step (3) by the PRI for the previous year is 102, then
 - (5) the PRI for the Category for the second year of the Plan would be 102.
 - b) The SPI is an index that reflects the relative change in revenue that would be generated by the new prices as compared to revenue generated by the old prices at equal demand for all the rate elements within the Basic, Non-Basic 1, Interconnection and Toll Switched Access Services Categories. When the Plan is implemented, the initial value of the SPI will be set at one-hundred (100) for the Basic, Non-Basic 1 and Interconnection Services Categories. On the effective date of the First Revision, the initial value of the SPI for the Toll Switched Access Services Categories will be set at one-hundred (100). In the subsequent years of the Plan, the SPI will be adjusted to reflect the amount of change between the new and old prices for all the rate elements within the Category. Except for price changes associated with regrouping of exchanges as set forth in Section VII, the reductions specified in Section XII, and the financial impact of governmental action as set forth in Section VI., as prices for rate elements within the

Category are changed, a new SPI is calculated, compared to the PRI and then included with the tariff filing. The SPI is applied to the entire service category and not individual services or rate elements within the Category. The Company may increase some rates, while decreasing others, as long as the SPI is less than, or equal to, the PRI and as long as the increase in any individual rate element does not exceed the GDP-PI plus the percentage specified in the table set forth in subparagraph 5 below.

- c) Coincident with the effective date of the First Revision and within the guidelines of the Joint Stipulation filed in Docket Nos. P-55, Sub 1013, P-55, Sub 1161, and P-100, Sub 72, and as modified by Commission Orders dated July 24, 2000 and September 8, 2000, hereinafter "Modified Joint Stipulation") price reductions in the Toll Switched Access Services Category beyond those needed to meet the SPI requirements of the Toll Switched Access Services Category may be used to meet the SPI requirements of the Basic and Non-Basic 1 Services Categories. This transfer will be supported with appropriate documentation as to the impact of the additional rate reductions, the total SPI impact in the Toll Switched Access Category and the adjustment of the SPI calculation in the receiving category.
 - d) Any increases in revenue in the Basic and Non-Basic 1 Services Categories, and any decreases in revenue in the Toll Switched Access Services Category as set forth in the Modified Joint Stipulation will be treated as exogenous price changes for purposes of calculating the impact on the SPI for each category. In cases where the change in the GDP-PI is greater than the category offset, price increases may be made in that category and the PRI and SPI will be adjusted as it normally would be. However, price increases per individual rate element will still be limited to one within the 12-month period between anniversary dates of the Plan, and the price increases will still be subject to the appropriate rate element constraints within service categories.
 - e) Moves of services between categories (i.e., moves from Basic to Non-Basic 1) will be treated as exogenous price changes for the purposes of calculating the impact on the SPI for each category.
4. The initial prices for Residence Basic Local Exchange Service shall be the maximum prices charged for a period of three years from the effective date of the Original Plan (the "cap period"). The specific rates to be capped are the Residence Individual Service charges, the Residence Touch-Tone Service charge, the Residence Service Order charge, the Residence Premises Visit charge and the Residence Access Line Connection charge (the "capped Basic Local Exchange Services").

5. During the cap period, the capped Basic Local Exchange Services will be excluded from the calculation of the SPI for the Basic Services Category.
6. During the cap period, prices for individual non-capped rate elements within the Basic Services Category and prices for any rate elements within the Non-Basic 1 and Interconnection Services Categories may be increased or decreased by varying amounts. Price increases for individual rate elements cannot exceed the percent change in the GDP-PI over the preceding year, plus the percentages shown in the table below.

<u>Service Category</u>	<u>Change in GDP-PI plus</u>
Basic	3%
Non-Basic 1	17%
Interconnection	7%
*Toll Switched Access	17%

*This rate element constraint takes effect if the aggregate rate for switched access reaches \$.01.

For example, the price increases for individual rate elements in the Basic Services Category cannot exceed five percent (5%), assuming a plus two percent (+2%) change in the GDP-PI for the previous year. Price increases can be made at any time, subject to Commission review and approval; however, only one increase per individual rate element is allowed within the twelve-month period between anniversary dates of the Plan. Price decreases may be made at any time and are not limited as to the number of decreases in the twelve-month period between anniversary dates of the Plan. This provision shall apply to both capped and non-capped Basic rate elements after the expiration of the cap period and to all rate elements in the Non-Basic 1, and Interconnection Services Categories.

7. In the beginning of the fourth year of the Plan, the PRI and the SPI associated with the Basic Services Category will be re-initialized as a result of removing the cap on capped Basic Services. In the annual filing to be effective at the beginning of the fourth year, the PRI for the Basic Services Category will be determined by re-initializing the index to one hundred (100) and calculating a new PRI for the fourth year based upon the percent change in the GDP-PI from the previous year, minus the Offset. In the same annual filing at the beginning of the fourth year, the SPI for the Basic Services Category will also be re-initialized to 100.
8. As set forth in Section VI. and paragraph VII.B. following price changes resulting from changes in the PRI will not be impacted, or in any way affected, by changes resulting from governmental action or the regrouping of exchanges.

Any price changes resulting from governmental action or regrouping of exchanges are independent of, and in addition to, any price changes resulting from changes in the PRI.

C. Non-Basic 2 Services

1. The prices for rate elements in the Non-Basic 2 Services Category in effect on the day prior to the effective date of this Plan will be the initial effective prices under the Plan.
2. Prices for individual rate elements within the Non-Basic 2 Services Category may be increased or decreased by varying amounts and the rate changes are not subject to either a rate element constraint or a Category constraint. Price increases and decreases may be made at any time and are not limited to any specific number of increases or decreases in the twelve-month period between anniversary dates of the Plan.

D. New Services

1. Prior to offering a new service, except for a new service under the terms of a CSA, the Company will file a tariff with the Commission setting forth the terms, conditions, and rates of the new service. Appropriate documentation and support related to the service category classification will be provided. Supporting documentation shall include detailed information stating the reason for assigning the new service to particular category, detailed information concerning the LRIC of each rate element and information concerning any applicable public interest concerns. Such documentation may include proprietary information, in which case the Company will designate such information as proprietary, and such information shall be treated as proprietary under G.S. § 132-1.2
2. As set forth in paragraph IV.A.1., preceding, a tariff for a new service shall be presumed valid and become effective unless modified or disapproved by the Commission or suspended by the Commission for a term not to exceed forty-five (45) days, fourteen (14) days after filing.
3. New services assigned to any category other than the Non-Basic 2 Services Category will be included in the SPI associated with the assigned service category in the first annual filing after the service has been available for six months. As set forth in Section III above, the Commission shall make the final determination regarding the classification or reclassification of any service.

VI. FINANCIAL IMPACTS OF GOVERNMENTAL ACTIONS

With Commission approval, the Company may adjust the prices of any service(s) due to the financial impacts of governmental actions that have a specific impact on the telephone industry as a whole or upon any segment of the industry that includes the Company, to the extent that such impacts are not measured in the GDP-PI. Such governmental actions would include, by way of illustration and not limitation, general changes such as “separations” matters (involving the separation of investment, expenses, and revenues between the intrastate and interstate jurisdictions) as well as extended area services or Commission-required technological innovations. In such an event, the Company or another interested party may request the Commission to adjust the rates accordingly. The request shall include a description of the governmental action, the proposed adjustment to prices, the duration of the adjustment, and the estimated revenue impact of the governmental action. The Company may request price adjustments to reflect the financial impact of governmental actions as a part of the annual filing and one additional price adjustment at any time during each Plan year to reflect the financial impact of governmental actions. A Plan year shall run from an anniversary date of the effective date of the Plan to the next anniversary date of the effective date of the Plan. The Commission may approve the request if the Commission finds that:

1. the governmental action causing the financial impact has been correctly identified;
2. the financial impact of the governmental action has been accurately quantified;
3. the proposed rates produce revenue covering only the financial impact of governmental actions; and
4. the rates would be applicable to the appropriate class or classes of customers; and
5. the adjustment in rates is otherwise in the public interest.

Price changes resulting from governmental action will not impact or otherwise affect the price changes provided for under the terms of the pricing rules set forth in Section V. preceding. In addition, any price changes resulting from approved governmental action requests will not be constrained by the pricing rules set forth in Section V. The Commission may, on request of the Company or another interested party, or on its own initiative, require the Company to adjust prices for circumstances that meet the above criteria.

VII. REGROUPING OF EXCHANGES

- A. BellSouth will not regroup any of its exchanges during the three-year period for which Residence Basic Local Exchange Service rates are capped under the provisions of paragraph V.B.3. preceding.

- B. After the expiration of the cap period, BellSouth may regroup exchanges due to growth in access lines. Such regrouping may be proposed in the annual filing referenced in Section VIII following, for any exchange meeting the criteria for the new rate group. Movement of an exchange from one rate group to another is limited to one rate group per year except where movement to or toward the proper rate group together with the deletion of the existing EAS additive would not cause an increase greater than the increase caused by a one rate group move. When an exchange is regrouped, any existing EAS additive will be deleted. Price changes resulting from the regrouping of exchanges will not impact or otherwise affect the price changes provided for under the terms of the pricing rules set forth in Section V. preceding. Additionally, any price changes resulting from the regrouping of exchanges will not be constrained by the pricing rules set forth in Section V.

VIII. ANNUAL FILING

The Company shall make an annual filing containing the following information:

- A. The annual percent change in the GDP-PI,
- B. The applicable change to the PRI for the Basic, Non-Basic 1 Interconnection and Toll Switched Access Services Categories based upon the percent change in the GDP-PI minus the Offset,
- C.. The change in the SPI for the Basic, the Non-Basic 1, Interconnection and Toll Switched Access Services Categories, and
- D. Complete supporting documentation.

IX. COMMISSION OVERSIGHT

- A. The Commission retains oversight for service quality, complaint resolution and compliance by the Company with all elements of this Plan.
- B. The Company will annually file the TS-1 financial surveillance reports which are now filed with the Commission. Any claim of confidentiality with regard to these reports shall be made by the Company and shall, if necessary, be determined by the Commission in accordance with Chapter 132 of the North Carolina General Statutes, the Public Records Act.
- C. The Commission shall undertake a review of the operation of the BellSouth Price Regulation Plan to conclude no later than June 24, 2002. At that time, the Commission will determine how the operation of the Plan comports with House Bill

161 and specifically how the Plan:

1. Protects the affordability of basic exchange service, as such service is defined by the Commission,
2. Reasonably assures the continuation of basic local exchange service that meets reasonable service standards that the Commission may adopt;
3. Will not unreasonably prejudice any class of telephone customers, including telecommunications companies; and
4. Is otherwise consistent with the public interest.

Following its review, the Commission may make modifications to the Plan consistent with the public interest.

X. DEPRECIATION SCHEDULES

The Company will, as of the effective date of the Original Plan, determine and set its own depreciation rates.

XI. SERVICE MEASUREMENTS

A. Penalties will be assessed in accordance with the provisions of this Plan if the following service measurements are not met:

- 1) Operator "0" answertime.
- 2) Directory assistance answertime.
- 3) Initial customer trouble reports per 100 access lines.
- 4) Repeat customer trouble reports per 100 access lines.
- 5) Out-of-service troubles cleared within 24 hours.
- 6) Regular service orders completed within 5 working days.
- 7) New service installation appointments not met for company reasons.
- 8) New service held orders not completed within 30 days.

The objectives for each of these measurements are those currently specified by the Commission Rule R9-8 except for Out-of-service troubles cleared within 24 hours. Penalties for that service objective will be assessed only if BellSouth fails to achieve a 90% objective. Moreover, the Company will be provided with interim objectives for Out-of-service troubles cleared within 24 hours as follows:

- For the first 3 months following the effective date of the First Revision of the Plan: 80%

- For the 4th month: 82%
- For the 5th month: 84%
- For the 6th month: 86%
- For the 7th month: 88%
- For the 8th month: 90%

At the end of the initial year's penalty period, BellSouth will not be assessed any penalties for Out-of-service troubles cleared within 24 hours if it achieves an average statewide annual result of 86% or better.

- B. All service results provided by BellSouth will be considered proprietary except those currently provided as nonproprietary consistent with Commission Memoranda dated October 8, 1970 and June 30, 1969.
- C. Penalties will be calculated as follows:

If BellSouth's yearly average statewide service result for a given service measurement satisfies the objective as outlined in item A. above, no penalty will be assessed for that service measurement even though one or more monthly measurements of that objective was missed. If BellSouth's yearly average statewide service result for a given service measurement falls below the objective, a \$10K monthly penalty per unit missed will be accrued. Special provisions of XI.A. apply for the first penalty period for Out-of-service troubles cleared within 24 hours.

Example: The objective for Regular service orders completed within 5 working days is 90%. Assuming that during the penalty period, BellSouth failed to achieve an annual average statewide result of 90% and assuming BellSouth completed 84% of its service orders in that timeframe in June 2000, the penalty for June, 2000 would be $(90-84) \times \$10K = 6 \times \$10K = \$60K$.

In the case of Initial trouble reports and Repeat reports, which are expressed as minimums and decimal numbers, each additional percent (rounded to the nearest whole percent) above the existing objective will prompt a \$10K penalty.

Example: The objective for Initial customer trouble reports is 4.75 or less per 100 access lines. Assuming that during the penalty period, BellSouth failed to achieve an annual average statewide result of 4.75 and assuming BellSouth reported 4.804 troubles per 100 access lines for June, 2000, the penalty for June, 2000 would be $(4.804-4.75)/4.75 \times 100 = 1.14\%$, rounded to 1% which equates to a \$10K penalty.

As shown above, monthly penalties would apply for each month BellSouth missed the objective. In addition, the following penalties will apply depending upon the number of months the objective is missed:

- \$250K penalty if there are 3-5 monthly performance misses for each specific service measurement. Or,
- \$500K penalty if there are 6-8 monthly performance misses for each specific service measurement. Or,
- \$1M penalty if there are 9-12 monthly performance misses for each specific service measurement.

The penalty amount owed by BellSouth will be determined by reviewing a 12-month calendar period beginning with the effective date of the First Revision. Subsequent penalty periods will run in 12-month intervals beginning on the anniversary of the First Revision.

- D. No later than 30 days after the end of a penalty period, BellSouth will file a report with the Commission. Such a report will detail the calculations of the penalties and report any relevant information concerning the penalties. In the event no penalties are applicable for a particular penalty period, BellSouth will file a letter with the Commission detailing that no penalties were applicable during the penalty period.
- E. BellSouth may ask the Commission to waive the penalty for any objective for any month it believes that a special circumstance (typically severe weather-related, but could be other significantly service-affecting circumstances, unforeseen, or beyond the Company's control) has prevented it from meeting one or more service objectives. If the request is granted, the service statistics will be adjusted to reflect the service area, time period, etc. addressed by the waiver.
- F. BellSouth will provide the number of Commission complaints monthly on an exchange-by-exchange basis. BellSouth will also provide for the Commission's and Public Staff's inspection the results of Regular service orders completed within 5 working days and New service held orders not completed within 30 days on an exchange-by-exchange basis. BellSouth will begin providing this information within 15 days of the effective date of the First Revision and will make these data available on a proprietary basis. BellSouth will continue to provide Initial trouble reports per 100 access lines on an exchange-by-exchange basis.
- G. If any penalties are applicable at the end of the year, BellSouth will issue a credit on the bill of each residence and business customer of record within 60 days after the end of the period. The amount of the credit will be determined by dividing the appropriate penalty by the number of residence and business total access lines in service at the end of the period.

XII. RATE REDUCTIONS

- A. The Company will reduce its revenues by \$60 million through annual rate reductions as follows:

Effective date of the Original Plan:	Approximately \$15 million
First anniversary of the Original Plan:	Approximately \$15 million
Second anniversary of the Original Plan:	Approximately \$15 million
Third anniversary of the Original Plan:	Approximately \$15 million

- B. The rate and revenue reductions set forth in paragraph A., above, will be applied so that the rates for Touch-tone service are reduced by one-half on the effective date of the Plan and eliminated by the first anniversary of the Original Plan and so that the Originating Carrier Common Line Charge in the Toll Switched Access Services Category is eliminated by the second anniversary of the Original Plan. After the elimination of these two charges is completed, the Company will apply the remaining portion of the \$60 million total revenue reduction to rate reductions for toll switched access services. If the Company makes other reductions in rates prior to the third Anniversary of the Original Plan, these other rate reductions shall not, unless approved by the Commission, constitute a portion of the \$60 million total revenue reductions required by paragraph A., above.
- C. The Company will file tariffs to reduce the rates for the services set forth in paragraph B. above, fourteen (14) days prior to the anniversary dates set forth in paragraph A., above. Provided, however, that the Company shall file the tariffs implementing the initial rate reductions as soon as reasonably possible prior to the effective date of the Original Plan. The tariff filings required by this paragraph must indicate that the rate reductions are being made pursuant to Section XI. of the Plan.
- D. The rate reductions described in this Section will be in addition to any rate reductions required by the pricing rules set forth in paragraph V. of the Plan. Any rate reductions made pursuant to this Section of the Plan will not change the relationship between the SPI and the PRI for the category of the affected services, and the Company will include in the tariff filing required by paragraph C., above, documentation demonstrating that the rate reductions have not affected the relationship between the SPI and the PRI for the category(ies) of the affected service(s).
- E. On the effective date of the Original Plan, that portion of the Commission's Order of April 8, 1988, in Docket Nos. P-100, Subs 65 and 72, requiring annual rate adjustments to the Originating Carrier Common Line Charge, shall no longer apply to the Company.
- F. BellSouth will reduce its intrastate switched access rate in accordance with the following schedule:

June 24, 2000	\$.056
December 31, 2000	.045
December 31, 2001	.03
December 31, 2002	.02

These per minute rates represent BellSouth's average intrastate-switched access rates as defined in the Modified Joint Stipulation.

Attachment A
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BASIC SERVICES

- A.2 General Regulations
 - A2.4.3 Insufficient Funds/Late Payment Charges
- A3. Basic Local Exchange Service
 - A3.2 Statewide Rate Schedule
 - A3.3 Monthly Exchange Rates
 - A3.3.1 Community Caller Plus Service
 - A3.3.2 Business Message Rate Service
 - A3.3.3 Expanded Service Area Usage Rates
 - A3.3.4 Frequent Caller Service (line portion – previously capped)
 - A3.4 Local Exceptions
 - A3.8 Directory Assistance Service
 - A3.11 Network Access Register Package
 - A3.22 Local Usage Detail
 - A3.29 Outgoing Only Service
 - A3.38 Back-Up Line
 - A3.41 Complete Choice (line portion – previously capped)
 - A3.42 Area Plus (line portion – previously capped)
 - A3.42 Area Plus with Complete Choice (line portion – previously capped)
- A4 Service Charges
 - A4.2 Installment Billing
 - A4.3 Rates and Charges
 - A4.4 Dual Service
 - A4.9 Student Mass Sign Up Provisions
- A13 Miscellaneous Service Arrangements
 - A13.8 Rotary Line Service
 - A13.13 Dormitory Communications Service
- A24 Emergency Reporting Services
 - A24.1 Universal Emergency Number Service – 911
- A30 Equipment for Disabled Customers
 - A30.2 Outright Sale
 - A30.3 Month-to-Month

Attachment A
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BASIC SERVICES (Cont'd)

- A103 Obsolete Service Offerings – Basic Local Exchange Services
 - A103.1 Joint User Service
 - A103.3 Business Message Rate Service
 - A103.4 Residential Message Rate Service
 - A103.13 Expanded Local Service – Thrifty Caller Service
 - A103.29 Outgoing Only Service

- A113 Obsolete Service Offerings – Miscellaneous Service Arrangements
 - A113.15 911 Emergency Telephone System – 8A Key Tel System

- A124 Obsolete Service Offerings – Emergency Reporting Services
 - A124.1 Universal Emergency Number Service – 911
 - A124.2 Enhanced Universal Emergency Number Service – 911

- A130 Obsolete Service Offerings – Equipment for Disabled Customers
 - A130.2 Outright Sale
 - A130.3 Month-to-Month

Attachment B
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NON-BASIC 1 SERVICES

- A3 Basic Local Exchange Service
 - A3.3.4 Frequent Caller Service (non-line portion)
 - A3.8 National Directory Assistance
 - A3.9 Operator Assisted Local and Local Calling Card Calls
 - A3.10 Local Operator Verification/Interrupt Service
 - A3.14 Expanded Local Saver Service
 - A3.24 Local Directory Assistance Call Completion
 - A3.25 Directory Assistance/Directory Assistance Call Completion
 - A3.41 Complete Choice (non-line portion)
 - A3.42 Area Plus (non-line portion)
 - A3.42 Area Plus with Complete Choice (non-line portion)
 - A3.43 BellSouth Business Plus Service
 - A3.45 Complete Choice for Business Package
- A5 Charges Applicable Under Special Conditions
 - A5.1 Construction Charges
- A6 Directory Listings
 - A6.4 Non-Published (Private) Listing
 - A6.5 Non-Listed (Semi Private) Listing
 - A6.6 Additional Listing
 - A6.7 Miscellaneous Listings
- A8 Telephone Answering Service Facilities
 - A8.2 Telephone Answering Service Rates and Charges
 - A8.3 Central Office Concentrator Service
- A9 Foreign Exchange Service and Foreign Central Office Service
 - A9.1 Foreign Exchange Service
 - A9.2 Foreign Central Office Service
- A12 Central Office Non-Transport Service Offerings
 - A12.7 Direct-Inward Dialing (DID) Service
 - A12.8 Identified Outward Dialing (IOD) From Customer Premises Located Switching Systems
- A13 Miscellaneous Service Arrangements
 - A13.1 Extension and Tie Line Services
 - A13.3 Interphone Services
 - A13.4 Special Billing Services
 - A13.5 Arrangement for Night, Sunday and Holiday Service
 - A13.7 Subscriber Transfer Service
 - A13.9 Custom Calling Services
 - A13.11 Remote Call Forwarding Service
 - A13.12 Selective Class of Call Screening Service

- A13.14 Toll Trunks (Toll Terminals)
- A13.19 Touchstar Service

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NON-BASIC I SERVICES (Cont'd)

- A13 Miscellaneous Service Arrangements (cont'd)
 - A13.20 Customized Code Restrictions
 - A13.23 Reduced Call Rate for Law Enforcement Agencies
 - A13.33 Multi-Feature Discount Plan3
 - A13.34 RingMaster Service
 - A13.46 Simplified Message Desk Interface (SMDI)
 - A13.47 Message Waiting Indication – Audible (MWI)
 - A13.50 Telecommunication Service Priority (TSP) System
 - A13.51 Electronic White Pages
 - A13.61 Answer Supervision
 - A13.65 Uniform Call Distribution
 - A13.72 Inter-Switch Simplified Message Desk Interface (ISMDI)
- A14 Auxiliary Equipment
 - A14.1 Network Interface Equipment
 - A14.2 Toll Restriction (Central Office Battery Reversal)
 - A14.3 Break In Rotary Number Group
 - A14.4 High Voltage Protection Equipment
 - A14.7 Message Register Service
- A15 Connections of Terminal Equipment and Communications Systems
 - A15.4 Trouble Location Charge
 - A15.6 Institutional Program For Premise Wiring Charges
- A18 Long Distance Message Telecommunications Service
 - A18.3 Two-Point Service
 - A18.3.1.H.1 MTS Two-Point Service
 - A18.3.H.2 Toll Operator Assisted Calls
 - A18.4 Conference Service
 - A18.7 Directory Assistance Service
 - A18.8 IntraLATA Long Distance Operator Verification/Interrupt Service
 - A18.13 Calling Plans – Saver Service
 - A18.14 Toll Directory Assistance Call Completion Service
 - A18.18 Easy Calling Plan
 - A18.21 Custom Rate Plan
- A19 Wide Area Telecommunications Service
 - A19.5 Rates and Charges
- A24 Emergency Reporting Services
 - A24.2 9-1-1 PinPoint Service
- A29 Data Transport Services
 - A29.1 Derived Data Channel Service

A29.2 Data Transport Access Channel Service
A29.5 Pulselink Public Packet Switching Network Service
A29.6 Accupulse Service
A29.7 Administrative Management Service

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NON-BASIC 1 SERVICES (cont'd)

- A32 Integration Plus Management Services (IMPS)
 - A32.1 Integration Plus Management Services (IPMS) Description
 - A32.1.2. Integration Plus Management Service Terminal Interface
 - A32.1.3 FlexServ Service
 - A32.1.4 Network Usage Information Service
- A34 Advance Intelligent Network Services
 - A34.1 Service Management System Storage
 - A34.2 Assignment of Dedicated 203-XXX Numbers
 - A34.4 Virtual Number Call Detail Service
 - A34.5 CrisisLink Service
- A38 Listing Services
 - A38.1 Directory Assistance Database Service
- A40 Fast Packet Transport Service
 - A40.1 Frame Relay Service
 - A40.3 Native Mode LAN Interconnection Service
 - A40.4 Connectionless Data Service
 - A40.5 Broadband Exchange Line Service
 - A40.8 Asynchronous Transfer Mode (ATM) Service
 - A40.11 BellSouth Video Conferencing Service
- A42 Integrated Services Digital Network (ISDN)
 - A42.1 ISDN Individual Business Service
 - A42.2 ISDN Individual Residence Service
 - A42.3 Primary Rate ISDN (PathLink)
- A47 BellSouth Remote Access Service
- B2.1 Undertaking of the Company
 - B2.1.9 Telecommunications Service Priority (TPS) System
- B2.4 Payment Arrangements and Credit Allowances
 - B2.4.10 Special Billing Arrangements (SBA)
- B2 Regulations
 - B2.6 Trouble Location Charge
- B3 Channels and Equipment
 - B3.4 Rates and Charges
 - B3.5 Multi-Station Arrangements
- B7 Digital Network Service
 - B7.1 MegaLink Service
 - B7.2 SynchroNet Service
 - B7.3 MegaLink Change Service

B7.4 Lightgate Service
B7.7 SmartRing
B7.9 MegaLink Plus Service

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B7.10 MegaLink Light Service

NON-BASIC 1 SERVICES (cont'd)

- A103 Obsolete Service Offerings – Basic Local Exchange Service
 - A103.26 Courtesy Complete Service
 - A103.44 BellSouth Business Choice Package
 - A103.45 BellSouth Complete Choice for Business Package
- A108 Obsolete Service Offerings – Telephone Answering Service Facilities
 - A108.2 Concentrator and Identifier Units
 - A108.4 AUTOTAS Answering System Concentrator
- A112 Obsolete Central Office Non-Transport Service Offerings
 - A112.5 Direct-In-Dialing (DID) to Customer Premises Located Switching Systems
 - A112.6 Secretarial Service In-Dialing Arrangements
- A113 Obsolete Service Offerings – Miscellaneous Service Arrangements
 - A113.1 Group Emergency Alerting and Dispatching Systems
 - A113.2 Municipal Emergency Reporting Service
 - A113.3 Multistation One-Way Circuit Arrangement For Use In Small Manual and Community Dial Offices
 - A113.4 Arrangements for Night, Sunday, and Holiday Service
 - A113.11 Network Facilities For Use With Public Announcement Services
 - A113.16 Central Office Local Area Network Service
 - A113.18 Network Facilities For Use With 976 Service
- A114 Obsolete Service Offerings – Auxiliary Equipment
 - A114.2 Private Line Sampling Arrangement
- A115 Obsolete Service Offerings – Connections of Terminal Equipment and Communications Systems
 - A115.1.1 Connection of Voice Transmitting and/or Receiving Terminal Equipment For Recording Two-Way Conversations
 - A115.1.2 Telephotograph Equipment
 - A115.1.3 Data Transmitting and/or Receiving Terminal Equipment
 - A115.1.4 Voice Transmitting and/or Receiving Terminal Equipment
 - A115.1.5 Alarm Detection and Reporting Equipment
 - A115.1.6 Dictation Recording Equipment
 - A115.2 Communications Systems
- A118 Obsolete Service Offerings Long Distance Message Telecommunications Service
 - A118.1.1 Enterprise Service (Special Reversed Charge Toll)
- A119 Obsolete Service Offerings – Wide Area Telecommunications Service
 - A119.5 Wide Area Telecommunications Service
- A120 Obsolete Service Offerings – Extended Community Calling
 - A120.1 MetroConnection Plan-MetroDiscount Service – Option 2

A129 Obsolete Service Offerings – Data Transport Service
A129.4 FlexServ – Digital Access Cross Connect

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- A134 Obsolete Service Offerings – Advanced Intelligent Network (AIN) Services
 - A134.3 ZipConnect Service

- A140 Obsolete Service Offerings – Fast Packet Transport Services
 - A140.8 Broadband Asynchronous Transfer Mode (ATM) Service (Market Trial)

- B103 Obsolete Service Offerings – Channels
 - B103.2.1 IntraExchange IntraLATA Channels – 1100
 - B103.2.2 IntraExchange IntraLATA Channels – 2100
 - B103.2.3 Dataphone Select-a-Station (SAS) Equipment
 - B103.2.6 IntraExchange IntraLATA Channels - 6100
 - B103.3 Interexchange IntraLATA Channels
 - B103.7 MultistationArrangements
 - B103.8 Channel Conditioning
 - B103.9 Sub-Voice Grade Services – Series 1000 Channels
 - B103.11.1 Data Access Arrangements
 - B103.11.2 Connecting Equipment
 - B103.11.3 Switching Arrangements

- B107 Obsolete Service Offerings – Digital Network Service
 - B107.2 SynchroNet Service
 - B107.5 MegaLink ISDN Service

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NON-BASIC 2 SERVICES

- A12 Central Office Non-Transport Service Offerings
 - A12.16 Prestige Communications Service (PCS)
 - A12.20 MultiServ
 - A12.21 MultiServ Plus
 - A12.22 MultiServ MultiAccount Service
 - A12.25 BellSouth Centrex Service
 - A12.26 BellSouth Centrex ISDN Service

- A14 Auxiliary Equipment
 - A14.8 ESSX Customer Premises Attendant Services

- A37 Billing and Collection Services
 - A37.1 Bill Processing Service

- E8 Billing and Collection Services
 - E8.1 Recording Services
 - E8.2 Billing Services
 - E8.3 Billing Analysis Service
 - E8.4 Billing Information Service

- A112 Obsolete Central Office Non-Transport Service Offerings
 - A112.1 ESSX Service
 - A112.3 ESSX-1 Service
 - A112.8 ESSX-1 Service
 - A112.9 Electronic Tandem Switching Features
 - A112.11 ESSX Small, Medium, and Large Service Centrex and ESSX-1
 - A112.12 ESSX Small, Medium and Large Service – 85
 - A112.13 Digital ESSX Service – 85
 - A112.14 Electronic Tandem Switching Features
 - A112.17 Prestige Communications Package
 - A112.18 Prestige Single Line Service
 - A112.19 Prestige Deluxe Service
 - A112.20 Digital ESSX Service – Vintage 2 Feature Simplified Message Desk Interface (SMDI)
 - A112.21 Customized Dialing Package
 - A112.22 ESSX ISDN Service – Basic Rate DSL Mileage
 - A112.23 Digital ESSX Service (DEBS)
 - A112.26 ESSX Service Vintage II
 - A112.27 Electronic Tandem Switching Features
 - A112.28 Digital ESSX Service Vintage II
 - A112.29 ESSX Multi-Account Service
 - A112.30 Digital Electronic Tandem Switching Features
 - A112.31 ESSX ISDN Service

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NON-BASIC 2 SERVICES (cont'd)

- A114 Obsolete Service Offerings – Auxiliary Equipment
 - A114.3 ESSX-I Customer Premises Attendant Services
- A131 Obsolete Service Offerings – Multi-Location Business Service (MLBS)
 - A131.2 Area Communications Services

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INTERCONNECTION SERVICES

- A7 Coin Telephone Service
 - A7.4 Access Line Service for Customer Provided Telephones
 - A7.8 Smart Line Service for Public Telephone Access
 - A7.10 Coin Refund & Repair Referral Service
- A23 Sharing and Resale
 - A23.1 Sharing and Resale of Telecommunications Services
- E5 Ordering Options for Switched and Special Access Service
 - E5.2 Access Order
- E7 Special Access Service
 - E7.5 Rates and Charges
 - E7.7 Custom Networks
- E9 Directory Assistance Access Service
 - E9.5 Directory Assistance Access Service
- E11 Special Facilities Routing of Access Services
 - E11.2 Special Facilities Routing of Access Services
- E13 Additional Engineering, Additional Labor and Miscellaneous Charges
 - E13.1 Additional Engineering
 - E13.2 Additional Labor
 - E13.3 Miscellaneous Charges
- E18 Operator Service Access Service
 - E18.1 Inward Operator Service
 - E18.2 Operator Transfer Service
- E22 Fast Packet Access Service
 - E22.1 Exchange Access Frame Relay Service
- A123 Obsolete Service Offerings – Sharing and Resale
 - A123.1 Sharing and Resale of Telephone Services

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TOLL SWITCHED ACCESS SERVICES

- E3 Carrier Common Line Access
 - E3.8 Carrier Common Line Access Services
- E6 Switched Access Service
 - E6.8 Switched Access Service
- E21 IntraLATA Toll Originating Responsibility Plan (ITORP)
 - E21.8 IntraLATA Toll Originating Responsibility Plan (ITORP)

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STATE OF SOUTH CAROLINA)
) CERTIFICATE OF SERVICE
COUNTY OF RICHLAND)

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth Telecommunications, Inc.'s Response to the Consumer Advocate's First Set of Interrogatories in Docket No. 2002-367-C and 2002-408-C to be served upon the following this August 4, 2003:

F. David Butler, Esquire
General Counsel
S. C. Public Service Commission
Post Office Box 11649
Columbia, South Carolina 29211
(PSC Staff)
(U.S. Mail and Electronic Mail)

Elliott F. Elam, Jr., Esquire
S. C. Department of Consumer Affairs
3600 Forest Drive, 3rd Floor
Post Office Box 5757
Columbia, South Carolina 29250-5757
(Consumer Advocate)
(U.S. Mail and Electronic Mail)

Steven W. Hamm, Esquire
Richardson, Plowden, Carpenter &
Robinson
1600 Marion Street
Post Office Box 7788
Columbia, South Carolina 29202
(Verizon South Inc.)
(U.S. Mail and Electronic Mail)

John J. Pringle, Jr., Esquire
Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, South Carolina 29202
(CompSouth)
(U.S. Mail and Electronic Mail)

REC'D
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SC PLT
COMM/INT.

Darra W. Cothran, Esquire
 Woodward, Cothran & Herndon
 1200 Main Street, 6th Floor
 Post Office Box 12399
 Columbia, South Carolina 29211
 (MCI WorldCom Communications, Inc. and
 MCImetro Access Transmission Services, LLC)
(U.S. Mail and Electronic Mail)

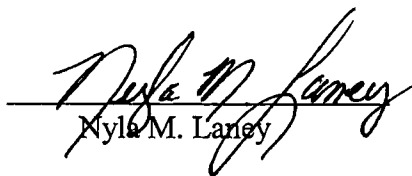
Mr. Stan Bugner
 State Director/Reg. & Government Affairs
 1301 Gervais Street, Suite 825
 Columbia, South Carolina 29201
 (Verizon Select Services, Inc.)
(U.S. Mail and Electronic Mail)

Kennard B. Woods
 MCI WorldCom, Inc.
 Law and Public Policy
 6 Concourse Parkway, Suite 600
 Atlanta, GA 30328
 (MCI WorldCom Communications, Inc. and
 MCImetro Access Transmission Services, LLC)
(U.S. Mail and Electronic Mail)

Kay Berry
 Coordinator Governmental Affairs
 ALLTEL South Carolina, Inc.
 2000 Center Point Drive, Suite 2400
 Columbia, South Carolina 29210
(U.S. Mail and Electronic Mail)

Scott Elliott, Esquire
 Elliott & Elliott, P.A.
 721 Olive Street
 Columbia, South Carolina 29205
 (United Telephone Company of the Carolinas/Sprint)
(U.S. Mail and Electronic Mail)

H. Edward Phillips, III, Esquire
Legal Department Mailstop: NCWKFR0313
14111 Capital Boulevard
Wake Forest, North Carolina 27587-5900
(United Telephone Company of the Carolinas/Sprint)
(U.S. Mail and Electronic Mail)



Nyle M. Laney

PC Docs # 471744